

Report of Prohibited Financial Interests for Employees of the National Institutes of Health

HHS Supplemental Ethics Regulation

5 CFR 5501.110

HHS Supplemental Financial Disclosure Regulation

5 CFR 5502.106

Form 717-1



Department of Health and Human Services

- ☐ New Entrant
☐ Reassignment
☐ Incumbent

Date Entered on Duty or Reassigned

Date Report Filed

I. Employee Information

1. Name

Last _____

First _____ MI _____

2. Agency

IC/Office _____

Component _____

3. Title of Position

4. Grade/Step

5. Federal Salary

6. Appointment Type

- ☐ PAS/PA ☐ Non-Career SES ☐ Schedule C
☐ Career SES ☐ General Schedule ☐ Title 42
☐ Commissioned Corps ☐ Other _____

7. Financial Disclosure Filing Status

- ☐ Public (SF 278)
☐ Confidential (OGE 450)
☐ None

8. Office Address

Street _____

City _____

State _____ Zip _____

9. Office Contact Information

Telephone () - _____

Fax () - _____

Cell () - _____

E-Mail _____

10. Name of Immediate Supervisor

11. Supervisor Contact Information

Telephone () - _____

Fax () - _____

Cell () - _____

E-Mail _____

12. Title of Supervisor

Agency Use Only

II. Prohibited Financial Interests

If none, check the box. **NONE** ☐

1. Report For you, your spouse, and minor children, report all financial interests, such as stocks, bonds, stock options, and other investments or ownership interests, in **substantially affected organizations** that you held as of the date you entered on duty with or were reassigned to the NIH. If you are a current employee, you should use this form to report any financial interests in substantially affected organizations that you acquired after your initial appointment, such as through marriage, gift, or inheritance. The term "substantially affected organization" means: (1) a biotechnology or pharmaceutical company; a medical device manufacturer; or a corporation, partnership, or other enterprise or entity significantly involved, directly or through subsidiaries, in the research, development, or manufacture of biotechnological, biostatistical, pharmaceutical, or medical devices, equipment, preparations, treatments, or products; (2) any organization a majority of whose members are these types of entities; and (3) any other organization determined by the agency to be substantially affected by the programs, policies, or operations of the NIH. Consult the NIH Deputy Ethics Counselor or DEC for your institute or center for assistance in identifying companies in the **biotechnology, biostatistics, pharmaceutical, medical device, and related industries** and any other organizations that are substantially affected.

Describe the financial interest, indicate the type of investment, and if the interest was acquired as a form of compensation or other benefit derived from prior or current employment with a substantially affected organization, check the employee benefit (EB) column. Check the column that indicates the value, and specify whether the financial interest is owned individually (I), by your spouse (S), or minor child(ren) (MC), or jointly (J). If held jointly with a spouse, minor child(ren), or others (O), indicate the co-owner(s), for example, J/S, J/MC, or J/O. Provide the name and relationship of any co-owners other than a spouse or minor child in the Comments section in Box 3 below. If you are a current employee, indicate in the Comments section, the date that you acquired the prohibited financial interest, for example, the date you were married, received a gift, or inherited an asset. If you acquired a prohibited financial interest inadvertently (e.g., a broker or financial advisor initiated the transaction) or under other circumstances, describe the situation in the Comments section in Box 3 below.

If you have already sold or divested the financial interest, describe in the Comments section in Box 3 below. If you are an employee who is not required to file a public or confidential financial disclosure report or who is employed in a confidential filing position excluded from the prohibited holdings requirement in 5 CFR 5501.110(c), answer the questions in Box 2 below. Sign and date the certification in Part II, Box 4. File this report with your DEC within 30 days after your entry on duty. Current employees must file within 30 days after acquiring a prohibited financial interest.

	Description	Type of Investment	EB	Value \$15,000 or Less	Value Over \$15,000	I/S/MC J/O
Example	Zyex Pharmaceuticals	Bonds		✓		S
Example	Medical Products Technology Co.	Common stock in 401(k) pension from prior employment	✓		✓	I
A						
B						
C						
D						
E						

	Description	Type of Investment	EB	Value \$15,000 or Less	Value Over \$15,000	I/S/MC J/O
F						
G						
H						
I						
J						

2. Questions for Nonfilers or Employees in Excluded Positions

a. Does any equity interest in a substantially affected organization listed above in Box 1 constitute 1% or more of the total outstanding equity of the organization?

☐ Yes (If this box is checked, identify the financial interest and explain in Box 3 below.)

☐ No

b. Does the actual value of holdings in the substantially affected organizations listed above in Box 1, when totaled, account for 50% or more of the total value of the combined investment portfolio of you, your spouse, and minor child(ren)?

☐ Yes

☐ No

3. Comments (If additional space is required, use the space provided at the end of this form.)

4. Certification

I certify that the statements I have made on this form are true, complete, and correct to the best of my knowledge.

Employee Signature

Date

III. Deputy Ethics Counselor Review

1. Name of Deputy Ethics Counselor

2. Contact Information

Telephone () -

Fax () -

Cell () -

E-Mail

3. Title of Deputy Ethics Counselor

4. Organization

5. Determination

After review of the information disclosed in Part II, I have determined, pursuant to 5 CFR 5501.110, that the identified employee, spouse, and/or minor children must sell or otherwise divest the reported financial interests as follows:

☐ All Financial Interests Reported in Part II

☐ Only those Financial Interests Reported in the following Letter Blocks in Part II:

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☐ No Divestiture By Employee Required (Explain reason(s) in the Comments section.)

DEC Signature

Date

6. Divestiture Date (Divestiture must be completed on or before the following date.)

7. Comments

IV. Certificate of Divestiture

1. Capital Gains Tax Deferral. Section 1043 of the Internal Revenue Code (26 U.S.C. 1043) and the regulations issued by the Office of Government Ethics (OGE) may allow an eligible person (including an employee, or the employee's spouse or minor or dependent children) to defer paying capital gains tax on property sold to comply with conflict of interest requirements. To defer the gains, an eligible person must obtain a legal document called a Certificate of Divestiture from the OGE Director **before** selling the property, after which the eligible person is required to reinvest the proceeds of the sale in "permitted property," which is either an obligation of the United States, such as a Treasury security, or a diversified investment fund, such as a diversified mutual fund. More information about Certificates of Divestiture can be found at <http://ethics.od.nih.gov/Topics/divest.htm>.

Note that assets held in certain investment vehicles, such as an Individual Retirement Account (IRA) or 401(k), or other tax deferred assets not subject to the capital gains tax are ineligible for a Certificate of Divestiture.

2. CD Election If you do not wish to pursue a Certificate of Divestiture, check this block. ☐ **No CD**
You must sell or otherwise divest those financial interests identified by the DEC in Part III as prohibited and complete the necessary transaction(s) on or before the date specified by the DEC in Part III, Box 6. Complete Part V when you have fully divested all prohibited holdings, and then resubmit this form promptly to your DEC to document compliance.

If you are interested in requesting a Certificate of Divestiture because you anticipate realizing a capital gain on the sale of the prohibited holdings identified by the DEC in Part III, and you are prepared to abide by the limitations on reinvestments into permitted property, submit your request separately on the form prescribed for this purpose. Complete Part V of this form when you have fully divested all prohibited holdings, and then resubmit this form promptly to your DEC to document compliance.

V. Compliance

1. Divestiture Describe the steps that you have taken to fulfill your divestiture obligation and indicate the date by which you completed all required transactions.

Date Divestiture Completed _____

2. Certification

I certify that I have sold or otherwise divested the prohibited financial interests identified by the DEC in Part III and that the statements I have made on this form are true, complete, and correct to the best of my knowledge.

Employee Signature

Date

ADDITIONAL SPACE

Identify the part and box to which the additional information refers.

PRIVACY ACT STATEMENT

The Ethics in Government Act, 5 U.S.C. App. § 101, *et seq.*, Executive Order 12674, as amended by Executive Order 12731, Sections 301 and 7301 of Title 5 of the U.S. Code, and Sections 2634.103, 5501.110, and 5502.106 of Title 5 of the Code of Federal Regulations authorize the collection of this information. Disclosure of this information is mandatory for those new entrant employees, except Special Government Employees, of the National Institutes of Health (NIH) who are not subject to the public or confidential financial disclosure reporting requirements under 5 C.F.R. part 2634. Providing this information is also required for employees reassigned to the NIH and for those NIH employees who acquire a prohibited financial interest as defined at 5 C.F.R. § 5502.106(b)(2). Falsification of information or failure to file or report information required to be reported may subject the employee to disciplinary action. Knowing and willful falsification of information required to be reported may subject the employee to criminal prosecution. The primary use of this information is to assist NIH supervisors, other management officials, and agency ethics officials in ensuring compliance with the prohibited holdings provisions of the HHS Supplemental Ethics Regulation applicable to NIH employees. The information may also be used to counsel employees concerning their ethics responsibilities and to prevent violations of the statutes, regulations, and executive orders governing employee conduct. The information is also requested, pursuant to 5 C.F.R. §§ 2638.203(b)(9), (10), and (11), for the purpose of evaluating ethics program administration, as well as the Department's supplemental ethics regulations, to determine their continued adequacy and effectiveness in relation to current agency responsibilities and to ensure that prompt and effective action is taken to remedy violations or potential violations, or appearances thereof, of conflict of interest and related ethics provisions. Additionally, this information may be disclosed to: (1) the Office of Personnel Management, Office of Government Ethics, Merit Systems Protection Board, Office of the Special Counsel, Equal Employment Opportunity Commission, Federal Labor Relations Authority, Federal Service Impasses Panel, Federal Mediation and Conciliation Service, and an arbitrator, in carrying out their functions; (2) a Federal, State, or local agency charged with investigating or prosecuting violations of, or implementing, the law, in the event there is an indication of a violation or potential violation of civil, criminal or regulatory law; (3) a Federal, State, or local agency maintaining enforcement records or other pertinent records, such as current licenses, if necessary to obtain a record relevant to an agency decision concerning the hiring or retention of an employee, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant or other benefit; (4) the National Archives and Records Administration or the General Services Administration in records management inspections; (5) the Office of Management and Budget during legislative coordination on privacy relief legislation; (6) Federal agencies with power to subpoena other Federal agencies' records; (7) a court or party in a court or Federal administrative proceeding if the Government is a party or in order to comply with a judge-issued subpoena; (8) private firms with which the Department may contract for the purpose of collating, analyzing, aggregating or otherwise refining records; (9) a Member of Congress or a Congressional office, pursuant to an inquiry made at the request of the individual who is a subject of the record; (10) the Department of Justice in defense of litigation; and (11) contractors and other non-Government employees working for the Federal Government to accomplish a function related to an Office of Government Ethics Government-wide system of records. This confidential report will not be disclosed to any requesting person unless authorized by law. See the OGE/GOVT-2 Government-wide executive branch system of records.



Department of Health and Human Services
Office of the Secretary
Office of the General Counsel
Ethics Division
Washington, DC 20201

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